

AMENDED IN SENATE JULY 16, 1996  
AMENDED IN SENATE JUNE 25, 1996  
AMENDED IN ASSEMBLY MAY 9, 1996  
AMENDED IN ASSEMBLY APRIL 24, 1996  
AMENDED IN ASSEMBLY APRIL 15, 1996  
AMENDED IN ASSEMBLY MARCH 27, 1996

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 2466**

**Introduced by Assembly Member Goldsmith**

February 20, 1996

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An act to add Title 1.4A (commencing with Section 1749.5) to Part 4 of Division 3 of the Civil Code, and to add Section 1520.5 to the Code of Civil Procedure, relating to gift certificates.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2466, as amended, Goldsmith. Gift certificates.

Existing law regulates the issuance and redemption of trading stamps and premium coupons, but does not regulate the issuance and redemption of gift certificates.

This bill would provide, on or after January 1, 1997, that it is unlawful for any person or entity to sell a gift certificate containing an expiration date. The bill would also provide ~~that it is unlawful for any person who sells a gift certificate with an expiration date before, on, or after January 1, 1997, to refuse~~

~~to redeem or replace the~~ *for redemption in cash or replacement of a gift certificate sold after that date,* as specified. This bill would also provide that it does not apply to gift certificates distributed to a consumer for promotional purposes without any money or other thing of value being given in exchange for the gift certificate by the consumer.

Existing law provides for escheat to the state of certain personal property that is held or owing in the ordinary course of the holder's business, as specified.

This bill would provide that this provision does not apply to gift certificates subject to the above provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Title 1.4A (commencing with Section  
2 1749.5) is added to Part 4 of Division 3 of the Civil Code,  
3 to read:

4  
5 TITLE 1.4A. GIFT CERTIFICATES

6  
7 1749.5. (a) On or after January 1, 1997, it is unlawful  
8 for any person or entity to sell a gift certificate to a  
9 purchaser containing an expiration date. *Any gift*  
10 *certificate sold after that date shall be redeemable in cash*  
11 *for its cash value, or subject to replacement with a new*  
12 *gift certificate at no cost to the purchaser or holder.*

13 ~~(b) It is unlawful for any person or entity who sold,~~  
14 ~~before, on, or after January 1, 1997, a gift certificate with~~  
15 ~~an expiration date to refuse, on or after January 1, 1997,~~  
16 ~~to redeem the certificate in cash for its cash value, or to~~  
17 ~~replace the certificate with a new gift certificate at any~~  
18 ~~time after the expiration date at no cost to the purchaser~~  
19 ~~or holder.~~

20 ~~(c)~~  
21 (b) A gift certificate sold without an expiration date is  
22 valid continuously except when refunded or replaced  
23 with a new gift certificate.

24 ~~(d)~~

1 (c) This section shall not apply to gift certificates that  
2 are distributed to a consumer for promotional purposes  
3 without any money or other thing of value being given in  
4 exchange for the gift certificate by the consumer.

5 SEC. 2. Section 1520.5 is added to the Code of Civil  
6 Procedure, to read:

7 1520.5. Section 1520 shall not apply to gift certificates  
8 subject to Title 1.4A (commencing with Section 1749.5)  
9 of Part 4 of Division 3 of the Civil Code.

